VZCZCXRO2925
OO RUEHDBU
DE RUEHMO #5055/01 2911155
ZNY CCCCC ZZH
O 181155Z OCT 07
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4694
INFO RUCNCIS/CIS COLLECTIVE PRIORITY
RUEHZG/NATO EU COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 005055

STPDTS

SIPDIS

E.O. 12958: DECL: 10/17/2017

TAGS: PREL PINR PBTS MARR OSCE MD RS

SUBJECT: RUSSIA CAUTIOUSLY OPTIMISTIC ABOUT POSSIBILITY OF

5+2 TALKS ON MARGINS OF OSCE SEMINAR

REF: A. CHISINAU 1221

¶B. CHISINAU 1198

¶C. CHISINAU 687

¶D. MOSCOW 5006

Classified By: POLITICAL M/C ALICE G. WELLS FOR REASONS 1.4 (B,D)

- 11. (C) Summary: MFA officials told us on October 17 that the recent exchange of positive signals between Chisinau and Tiraspol and the productive October 6 Putin-Voronin meeting may have created a "unique opportunity" for the possibility of renewed talks between Chisinau and Tiraspol in the "5 2" format. MFA Transnistria negotiator Nesterushkin informed us that on the margins of an October 22-23 OSCE-hosted seminar on Transnistria (TN) in Ukraine, the 5 2 parties would likely convene for an informal discussion on the way ahead. Nesterushkin indicated that he, EU Special Representative Mizie, and Moldovan Minister of Reintegration Shova had already indicated their willingness to attend, and he thought TN "Foreign Minister" Litskai could be convinced to participate. However, the MFA cautioned that the only way to guarantee" TN participation would be to include on the agenda a discussion on a document that would prevent Chisinau from taking additional measures to restrict Tiraspol's autonomy. Nesterushkin also warned that the U.S. should not try to "overload" the OSCE-hosted discussions with the U.S. proposal to organize a seminar on the possible internationalization of Russian PKF in TN as a way to break the impasse in Adapted CFE Treaty discussions. End Summary.
- ¶2. (C) Transnistria Negotiator Ambassador Nesterushkin and MFA Second CIS Department Deputy Director Nikolai Fomin in separate meetings told us on October 17 that recent developments have created a narrow window of opportunity for direct negotiations between Chisinau and Tiraspol in the "5 2" format.

Friendly Signals from Chisinau and Tiraspol

13. (C) Nesterushkin characterized the recent efforts by Chisinau and Tiraspol to lower the tension as encouraging (refs A-B). Nesterushkin observed that Tiraspol's decision to repeal the "migration tax" for right-bank Moldovans and to repeal the 100% tax on Moldovan food and agricultural products was a "clear" signal of TN's willingness to negotiate. Moldovan Embassy Political Counselor Valeriy Saava agreed that the cancellation of the migration tax went a long way to improving the atmosphere for possible negotiations, as the tax was a "source of deep frustration for Moldovans." Among the positive signals from Chisinau, Nesterushkin cited as the most substantive the decision to extend the registration of TN enterprises until December 31, 2008 and the decision not to hold another round of municipal elections in a left-bank village (ref C). He said such moves help "in some measure" to calm TN fears.

## "Brief, but Solid" Putin-Voronin Meeting

¶4. (C) Fomin said Voronin requested a one-on-one meeting with Putin on the margins of the October 6 CIS Summit in Dushanbe. Although the meeting lasted only 20 minutes, Fomin maintained that the meeting was "solid" and productive. For example, Fomin and Nesterushkin attribute Moldova's decision to allow the 17 Russian-national wine producers to export their products to Russia without having secured an abolition of the Russian ban on wine products from Moldovan nationals to the Putin-Voronin meeting. On TN, MFA officials cautioned that the meeting between Putin and Voronin underscored that fundamental differences in the solution to the problem remain. However, Fomin agreed with Saava's assessment that at least the presidents "listened to each other and took each other's views into account."

# Window of Opportunity: OSCE Seminar in Odessa

15. (C) Nesterushkin commented that OSCE Head of Mission Head Louis O'Neill's October 22-23 seminar on ways to incorporate confidence-building and security measures in the TN settlement process represented a "unique opportunity" to gather the 5 2 parties for an informal discussion.

Nesterushkin explained that on the evening of October 23, following the seminar, O'Neill would convoke the 5 2 representatives for a separate informal discussion ("not negotiations") on possible ways to reach a political settlement. Nesterushkin indicated that he would attend the last day of the seminar and the 5 2 informal discussion, and he understood that EU Special Representative Mizie and Moldovan Minister of Reintegration Shova were also willing to

MOSCOW 00005055 002 OF 002

#### attend.

16. (C) When we asked about Tiraspol's attendance,
Nesterushkin happened to get a call on his cell phone from TN
"Foreign Minister" Litskai, who was looking for guidance on
whether he should attend the informal discussion.
Nesterushkin stepped out of the room to talk with Litskai,
but when he returned, he told us that he counseled Litskai to
attend the discussion, "as Tiraspol has nothing to lose."
Although uncertain that Smirnov would sign off on Litskai's
travel to Odessa, Nesterushkin suggested that Russia would
encourage Tiraspol's participation.

# There Is a Way to "Guarantee" Tiraspol's Attendance...

- 17. (C) Nesterushkin claimed that Russia "can only do so much" to force Tiraspol back to the negotiating table. He thought that one "sure way" to guarantee Litskai's participation in the 5 2 informal discussion is for all parties to agree to some kind of document that would articulate Chisinau's commitment not to take any action that would further restrict Tiraspol's economic and political autonomy. Nesterushkin said that he passed out draft text of such a declaration in the most recent "3 2" meeting in Vienna.
- 18. (C) Nesterushkin acknowledged that Russia's insistence on the need for a Transit Protocol "was categorically rejected" by the 5 2 mediators and observers, but he hoped that all parties would give careful consideration to a document that only aims to maintain the status quo while negotiations are underway. Nesterushkin cautioned that without such a commitment from the parties, particularly from Chisinau and Washington, he could not guarantee Smirnov would allow Litskai to attend the discussion in Odessa. (Note: Saava hinted that Moldova's Foreign Ministry was giving serious consideration to the elements of a possible document. End note.)

### "Let's Not Overload the OSCE Discussion"

19. (C) Nesterushkin warned that the U.S. should not try to "overload" the OSCE seminar with the U.S. proposal to hold discussions on the internationalization of Russian PKF in TN and on a political settlement (ref D). While Russia recognizes the merits in the most recent U.S. proposal to break the impasse in U.S.-Russia CFE discussions, Nesterushkin speculated that any discussion on internationalization of Russian PKF would take a back to Russia's "efforts" to reach a political settlement in TN.

#### Comment

110. (C) A usually cynical and dour Nesterushkin was cautiously optimistic that the upcoming OSCE seminar in Odessa could be the right venue at the right time to re-launch direct talks between Chisinau and Tiraspol. Nesterushkin assured us he will urge Tiraspol to accept the invitation to the informal 5 2 discussions without any preconditions, but it is clear that Moscow and Tiraspol are interested in a document that would prevent Chisinau from asserting greater financial and administrative control over TN.

Burns